

Weather Forecast

Increasing cloudiness this afternoon, high in mid 40s. Cloudy tonight, snow likely; low about 32. Tomorrow cloudy, cold.

Temperatures today—High, 41, at 1:10 p.m.; low, 28, at 3:45 a.m. Yesterday—High, 43, at 3:55 p.m.; low, 30, at 7:22 a.m. (Full Report on Page A-2.)

Late New York Markets, Page A-21.

The Evening Star

WITH SUNDAY MORNING EDITION

Guide for Readers

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An Associated Press Newspaper

City Home Delivery, Daily and Sunday 90c a Month. When 5 Sundays, \$1.00 5 CENTS

95th YEAR. No. 57,573 Phone NA. 5000.

WASHINGTON, D. C., WEDNESDAY, MARCH 19, 1947—FORTY-FOUR PAGES. ★★

Georgia Supreme Court Upholds Thompson As Governor, 5 to 2; Talmadge to Quit Office at Once

Tribunal Declares Assembly Elected Executive Illegally

By the Associated Press
ATLANTA, Mar. 19.—The State Supreme Court in a 5-to-2 decision today held that M. E. Thompson is Georgia's Governor and that Herman Talmadge's election by the Legislature was illegal. Mr. Thompson was elected the State's first Lieutenant Governor last fall.

Mr. Talmadge, who assumed office with the backing of National Guard officers and State police, announced that he would vacate both the executive office and the Governor's mansion "as soon as we can get the files out and our personal effects packed." Mr. Thompson will serve as Governor until January, 1949.

Mr. Talmadge said in a statement to newsmen that he considered the people the court of last resort in political questions, and said the question "will be carried to the court of last resort." He did not elaborate on that statement.

He said he would not ask the Supreme Court to reconsider its decision.

Mr. Thompson, in a statement from his offices in an Atlanta hotel,

said the decision upheld his belief "that the will of the people as expressed by their ballots should prevail."

Thompson's Offices in Uproar.
His offices were thrown into an uproar over the decision with well wishers rushing in and telephones ringing with congratulatory messages.

The court decision was written by Presiding Justice Henry Duckworth. Chief Justice W. F. Jenkins and Justice Tom S. Chandler filed a dissenting opinion.

The majority opinion held that the death of Herman's father, Eugene Talmadge, after his election and before publication of the returns by the Legislature, did not alter the duty of the Legislature to declare his election, nor did it authorize the Legislature to declare that because of his death no person had a majority of the votes and to then proceed with election of an alternate.

"Accordingly," the majority held, "where in such circumstances the General Assembly undertook to elect another person as Governor, namely the Hon. Herman Talmadge, such attempted election was a void act, which did not confer upon him any right or title to the office of Governor."

"Vested With Full Powers."
"It follows that upon the resignation of Gov. Arnall on January 18, 1947, M. E. Thompson, the duly qualified Lieutenant Governor, became vested with full executive powers of this State."

Concurring with Justice Duckworth in the majority opinion were Justices Lee B. Wyatt, R. C. Bell, W. Y. Atkinson and T. Grady Head.

The decision threw both houses of the General Assembly into confusion and both called adjournments when presiding officers were unable to restore order.

The Senate, engaged in debate over a sales tax bill, adjourned until noon, while the House adjourned.

(See GEORGIA, Page A-4.)

Truman Holiday Ends; Flying to Capital

BULLETIN
KEY WEST, Fla., Mar. 19.—President Truman left at 2 p.m. today aboard his private plane, the Sacred Cow, for Washington.

Greek Aid Plan Called Contrary To U. N. Ideals

Senator Smith Asks Officials to Justify Military Aid

By the Associated Press
Senator Smith, Republican, of New Jersey demanded today that the State Department reconcile President Truman's proposal to arm and train Greek troops with the United Nations Charter declaration against war and for peaceful settlement of world disputes.

Senator Smith, a member of the Senate Foreign Relations Committee, listed this as one of a series of 13 queries he sent to Chairman Vandenberg for incorporation in a questionnaire to be submitted to the State Department.

His move came as the House Foreign Affairs Committee arranged to begin hearings tomorrow and start translating into legislation the President's request for authority to extend \$400,000,000 cash and limited military aid to Greece and Turkey.

Other Republican lawmakers made clear they will insist on a broad accounting of administration foreign policy before backing a policy of building fences against communism in the two countries.

Inquires About Scope.
Along that line, Senator Smith demanded to know specifically whether the policy represented in the presidential request was to be construed as "a Truman doctrine" delimiting the further expansion of Russian control.

He inquired whether it was to be confined "to the periphery of states surrounding Russia, which would include the Middle East as well as Turkey" or whether it would be "global."

"If the purpose of the United Nations charter is to outlaw war and to insist on the peaceful settlement of international disputes," he asked, "on what theory do we send

(See FOREIGN, Page A-4.)

Export Curb Extension Urged by President To Protect Economy

Message to Congress Implies Need to Insure Aid to Greece, Turkey

President Truman today urged Congress to extend export controls for one year beyond June 30, their present expiration date. In a special message to Congress, the President asserted that Government control over the export of products in critically short supply must be continued to protect domestic economy "as well as to discharge our international responsibilities."

He did not mention specifically pending proposals for \$400,000,000 financial aid and indirect military assistance to Greece and Turkey, but implied that export controls were necessary to make sure those countries received necessary supplies from the United States.

Foreign Demands Are Large.
"We have granted loans to other monetary nations whose existence must be preserved," Mr. Truman asserted. "These loans will accomplish their purpose only if the recipient nations are able to obtain critically needed supplies from this Nation. Export control is an important instrument in carrying out the purpose of these loan programs."

Declaring that continued controls over exports are necessary to protect domestic economy, he pointed out that foreign demands for goods in short supply "are extremely large" and that prices of many items are much higher in other countries now than in the United States.

"Uncontrolled exports of food products," his message added, "would result in a marked increase in the already substantial living costs borne by the American people."

Urges Prompt Action.
Unrestrained export of other commodities in which there is a world shortage, like steel, lumber, building materials and industrial chemicals, "would inevitably limit the level of our own industrial production and employment," the President said.

He promised that authority to control exports would be used only with respect to commodities in "critically short supply." He pointed out that the list of items subject to export control already had been reduced from a wartime high of 3,000 to 500.

Urging prompt congressional action, Mr. Truman said it is essential that extension be voted well in advance of June 30 because delay would "prove unsettling to business and would handicap the planning and execution of our food and other export programs."

Light Snow Expected In District Tonight
Washington will have to wait for more springlike days, the Weather Bureau said today, as it predicted light snow tonight or early tomorrow.

Moscow Accord Still Possible, U. S., Reds Say

Molotov Denies That Potsdam Declaration Superseded Yalta

By the Associated Press
MOSCOW, Mar. 18.—Soviet Foreign Minister Molotov and Secretary of State Marshall agreed today that a meeting of minds on Germany's economic program was possible in this conference of the Council of Foreign Ministers.

Mr. Molotov said in a statement, however, that the Soviet Union rejected the Potsdam decisions on reparations superseding the decisions of the Big Three Yalta conference.

He further declared that the economic unity of Germany without reparations was not acceptable to the Soviet government, but that with reparations, it would be acceptable.

Gen. Marshall reminded Mr. Molotov that there were "grave" difficulties to be faced in the reparations problem. He said he was prepared to "consider" Mr. Molotov's demands for a higher level of industry in Germany to raise her steel production, but he added that there was an "inherent danger" in developing a production program designed for reparations purposes.

Russia has asked that the steel production level be raised to 10,000,000 or 12,000,000 tons annually.

Accord Held Possible.
Mr. Molotov told the Foreign Ministers that after hearing the differing views of the United States, Britain and France he still believed agreement possible on the critical German economic program.

Mr. Molotov said it did not follow from the disputes which thus far have broken out here that the four powers would be unable to find common points of view on such issues as the level of German industry, a balanced import-export program and freedom of movement in Germany, as well as on similar key economic problems.

Mr. Molotov spoke after British Foreign Secretary Bevin in a studied commentary on the Soviet program for Germany, rejected Russian reparations demands and said it was Britain's policy not to agree to any reparations on reparations. Mr. Molotov has put forward a claim for \$10,000,000,000 in reparations from postwar Germany.

Stalin's Role Revealed.
Mr. Bevin revealed—for the first time—that Prime Minister Stalin himself had urged and requested the Western Allies to agree that reparations should come from capital goods and particularly factories in the western zones.

The British Minister said that when he and the others agreed to this he thought that the question of reparations was finished, and there would be no demands for reparations from current production such as have now been put forward by Mr. Molotov, who has asked that part of the payment to Russia be from current production.

Mr. Bevin also disclosed that the British cabinet, at the time of the Big Three discussion on reparations at Yalta, sent a telegram to Winston Churchill, then attending the conference as Prime Minister. It said:

"We consider it quite inadvisable to state any figure for German deliveries until possibilities have been properly investigated on the spot. We consider \$20,000,000,000 far too great."

"It is roughly equivalent to Germany's prewar gross exports. And that is not allowing for any imports in an average year."

No Figure Set at Potsdam.
Mr. Molotov has said the \$20,000,000,000 figure was agreed on at Yalta as the grand total of reparations from Germany, but Gen. Marshall said yesterday that this figure was only a basis for discussion and was

(See MOSCOW, Page A-6.)

Marshall Shows Reds Firmness Of U. S. on Plans for Germany

Secretary Gives Molotov a Bad Time in Rebutting Soviet Reparations Charges

By Newbold Noyes, Jr.
Star Staff Correspondent
debate with Secretary of State Marshall.

For seven days America's new Secretary of State—neophyte of the conference table—had talked little and listened much. He had read carefully worded statements in a quiet voice, contenting himself with perhaps 300 unprepared words since the conference opened.

Britain's hard-boiled Foreign Secretary Bevin had done most of the arguing.

Gen. Marshall was still listening yesterday when Mr. Molotov began discussing the reparations the western powers were taking from Germany. The Russian had been angered by what he considered the superior attitude of Britain and the United States. He said they need not pretend they were uninterested in getting their share.

D. C. Realty Tax Policy Defended By Assessor

Compares Favorably With Other Big Cities, Dent Testifies

By Don S. Warren
Tax Assessor Edward A. Dent today staunchly defended District real estate assessments and taxes, telling the House-Senate Joint Fiscal Subcommittee they compare most favorably with those of other large cities.

Most of the morning session of the second day of hearings on the city's revenue problems was devoted to realty revenues. The Commissioners, in recommending \$19,000,000 in additional taxes, have proposed to leave unchanged the District's present realty tax rate.

Mr. Dent, who per capita actual assessments from the joint committee, gave testimony showing:

1. That Washington was found at the top of a list of cities having populations of 500,000 to 1,000,000 as actual assessed valuations for residential, apartment and business properties.

2. That on a per capita basis Washington ranks second in a list of 38 cities, being topped only by New York City. This study included cities having populations of 250,000 and over.

3. That the per capita actual assessment figures showed New York with \$2,209 and Washington second with \$1,827. St. Paul was last with a per capita actual assessment figure of \$382.

Actual real estate taxes collected on "identical" properties here and in nearby Maryland and Virginia show the District taxes are considerably higher than those in Arlington County, and slightly higher than in Montgomery and Prince Georges Counties.

63 Per Cent of Inflated Prices.
Assessor Dent submitted a study on 200 property assessments taken at random which showed the total actual assessments for this year amount to 63 per cent of the present actual but "inflated" selling prices.

Representative Bates declared that now being paid for residential properties "are inflated to a ridiculous level" because of the acute shortage of housing, and that assessors should not jump present assessments to such inflated levels.

Representative Bates, Republican of Massachusetts, chairman of the Fiscal Subcommittee of the House District Committee, who was presiding, broke into indorse this stand.

I agree assessors ought not to place inflated values in their assessments, he declared.

Bates said: "They did it then in a more later period of recession in values, the assessor would have to make heavy reductions in assessments."

Comparisons Inaccurate.
The assessor emphasized that merely to compare tax rates between cities gives no proper picture of measure of actual real estate taxes. He made this clear in reporting studies of taxes paid on comparable properties here and in other places, where the tax rate is much higher than in Washington, but where the ratio of assessment to true value is far below 100 per cent.

Arlington County, he said, has a real estate tax rate of \$3 per \$100 of value, and a system of making realty assessments amount to 40 per cent of true value. This means in effect, he said, that Arlington has a \$120 tax rate if assessments are treated on the 100 per cent basis.

Montgomery County has a \$2.62 realty tax rate, and is "supposed" to be on a 100 per cent true value assessment, he added. The studies made by his assistants of "identical" houses, however, he continued, showed the taxes paid are lower in Montgomery County than in the District.

The assessor explained there was no known method for making exact comparisons in such cases, that to some degree it depended on the

(See FISCAL, Page A-6.)



Chinese Nationalists Capture Evacuated Yen'an, Red Capital

Occupation Is Turning Point in Civil War, Nanking Official Says

By the Associated Press
NANKING, Mar. 19.—Fast-moving Chinese nationalist troops took over the Chinese Communist capital of Yen'an today at the end of a 200-mile forced march from Sian.

The first of the government forces at 10 a.m. today entered the Red capital—virtually a ghost city since its evacuation by Communists and the removal of practically everything that could be carried away.

Dispatches announcing the capture mentioned no fighting and it was assumed that Communist Gen. Ho Lung's defense troops had faded into the Shensi province mountains.

Party Chief Mao Tse-tung and other Communist leaders earlier were reported to have left the city.

City Not Defended.
The occupation, following swiftly behind an announcement by Minister of Information Peng Hsueh-pel that the government column was within sight of Yen'an, indicated that the Communists had made good their planned evacuation and carried out their decision not to defend the city.

The announcement from Peng had placed the troops of Gen. Hu Chung-nan within sight of the city's outer defense towers, about 13 miles from the heart of Yen'an.

At that time Peng declared that the heart of the city and other Nationalist spearheads working along the flanking ridges, the position of the Communists was "untenable."

He said that after the fall of Yen'an, the military situation in China will hinge on Communist policy, which up to the present has been to place implicit faith in armed forces.

Turning Point of War.
Peng indicated the government would consider the occupation of Yen'an as the turning point for Communist activity, the turning point in the civil war.

With the fall of the capital, Peng predicted, some of the Communist leaders may have a change of heart rather than face continued military disasters.

From an economic standpoint the Nationalist troops will gain little from their occupation of the city. The Communists have been evacuating the city for more than a month, with everything from camel meat to coolies carrying packs. The conquerors as a result will find a city stripped of everything that is movable.

Yen'an Radio Moved.
During their last visit here Communist leaders boasted that "Chiang Kai-shek's soldiers will find nothing. They had better carry their own food."

Yen'an's chief link with the outside world—the Communist Yen'an radio—has been moved to a new location in the Shensi Mountains, it is believed. Sources which have monitored the radio daily said recent interruptions indicated the move.

There is no indication here of where any new Communist capital might be located. There is conjecture that Mao Tse-tung and other party leaders might attempt a long overland march to set up headquarters.

(See CHINA, Page A-6.)

Radio Station Closed By Announcers' Strike

By the Associated Press
SAN FRANCISCO, Mar. 19.—Radio station KFYA went off the air today—struck by AFL announcers seeking wage increases.

Montgomery Scolded For Dig at Regime, Attlee Indicates

By the Associated Press
LONDON, Mar. 19.—Prime Minister Attlee hinted today that he had scolded Field Marshal Lord Montgomery.

"I have spoken to Field Marshal Montgomery telling him of the danger of making speeches which might be interpreted by persons who wanted to make mischief," Mr. Attlee said in the House of Commons.

Lord Montgomery, nonparty chief of the Imperial General Staff, said in a speech last week it was vital that Great Britain have able leadership "at all levels in every walk of life."

Conservatives interpreted this as critical of the Labor government during the current economic crisis.

Minority Group Sues To Void Transfer of Mayflower to Hilton

Court Asked to Name Receivers for Hotel, Offer It for Sale

A minority group of Mayflower Hotel stockholders filed suit in District Court today asking that the transfer of control of the Mayflower to the Hilton Hotel Corp. be set aside.

The suit asks:

1. That a subpoena be issued to each of the defendants requiring answer to the complaint.

2. That the management contract executed January 27, 1947, be set aside as "fraudulent and null and void, and the defendant, Hilton Hotels Corp., its employees, agents and officers be enjoined and restrained from enforcing said contract during the pendency of this suit."

3. That there be an accounting of all disbursements and collections so far under the contract.

4. That appraisers be appointed to determine the value of the Mayflower.

5. That receivers be appointed to manage and control the hotel during the court contest.

6. That the hotel be offered for sale on such terms as the court may deem advantageous.

7. That the plaintiff may have such other and further relief as to the court may seem just and proper.

Lack of Notice Charged.
The civil complaint alleged that Joseph P. Binn, J. Clifford Folger and C. N. Hilton planned to effect a sale of the assets of the defendant, Mayflower Hotel Corp., without notice to its stockholders.

Mr. Binn is executive vice president of Folger, Nolan & Co., a former president of the Mayflower Hotel Corp. and now is a member of the Executive Committee. Mr. Hilton is president of the Hilton Hotel Co.

(See MAYFLOWER, Page A-6.)

U. S. Chamber Says Tax Cut of at Least 20 Pct. Is 'Urgent'

Views Given House Unit; Bigger Reduction for Small Incomes Studied

By the Associated Press
The United States Chamber of Commerce told Congress today a flat reduction of individual income taxes by "20 per cent or even more" is of "urgent importance."

In a statement filed with the House Ways and Means Committee, the chamber said it believed the cut could be granted this year and at the same time a sizeable reduction could be made in the national debt.

The National Association of Manufacturers previously filed a statement supporting the 20 per cent across-the-board tax cut proposed by Committee Chairman Knutson.

The chamber's statement was submitted as Republicans began considering revision of the Knutson bill to give larger reductions in taxes to persons with small incomes.

May Not Take Effect Until July.
Considerable opposition in House Republican ranks has developed against the "across-the-board" cutting principle. Representative Engel, Republican of Michigan, has described the Knutson measure as a "rich man's bill."

In the chamber's statement, General Manager Ralph Bradford wrote: "Our (Federal finance) committee believes there is urgent need to reduce the inordinate burden on individual taxpayers in order to encourage savings and investment and go-ahead rearmament which will be of crucial importance with lessening demand for goods and services."

Any cut probably will not become effective before July 1—the start of the 1948 fiscal year. Mr. Knutson said his committee is studying whether that date should be postponed instead of making a reduction retroactive to January 1.

Fears Effect on Budget Balance.
Mr. Knutson's announcement to newsmen came after Representative Kean, Republican, of New Jersey, a member of the Ways and Means Committee, declared his determination to press for a delay in the effective date.

Mr. Kean insisted that making the cut retroactive to the first of the year might kill current prospects for a balanced Federal budget this fiscal year—the first since 1930.

House consideration of the sizzling tax issue was postponed from next Monday to Wednesday, while the revisions are under study.

No Certainty of Revision.
It was not immediately clear whether the changes being considered would satisfy the Republicans who are in revolt against the across-the-board principle. Mr. Engel said he does not think the revisions will help much.

Mr. Knutson called for the study after a show of hands at a meeting of the House GOP Steering Committee indicated a majority prefers

(See TAXES, Page A-4.)

Wheat Prices Continue Decline From \$3 Top

By the Associated Press
CHICAGO, Mar. 19.—Wheat prices on the Chicago Board of Trade today continued their wide recession from yesterday's high of \$3.05.

Grains opened mixed, with wheat starting a half cent to 6 1/2 cents lower and March selling at \$2.86. Corn and oats were not much changed from yesterday's close.

After March wheat yesterday had passed \$3 for the second time in the 99-year history of the Board of Trade, prices declined the permissible limit of 10 cents.

The drop was attributed to reports that the Government was making more wheat available for immediate delivery. In Washington it was announced that Government contracts with grain dealers calling for March delivery of wheat at Kansas City have been changed to permit delivery at other points. The delivery date, April 10, remains unchanged.

The Washington announcement added that grains will be moved from spring wheat areas to Gulf ports to meet April export commitments, if sufficient winter wheat is not obtained.

Lewis Complies With High Court Strike Order

Withdraws His Notice Of End of Coal Pact With Government

By James Y. Newton

John L. Lewis today bowed to the Supreme Court and withdrew his contract "terminating" notice which brought on last fall's soft coal strike and threatened a new stoppage April 1.

In a 20-word letter, Mr. Lewis informed Secretary of the Interior Krug that the notice he sent the Federal coal mines boss last November 15 "is hereby unconditionally withdrawn."

It was that notice to Mr. Krug, telling him the contract under which the Government has operated the Nation's soft coal mines since last May was being terminated, that caused the miners' 17-day walkout and resulted in the Government's court action against Mr. Lewis and his United Mine Workers.

The Supreme Court upheld the District Court conviction of the union boss and UMW for ignoring an order to withdraw the "termination" notice before the November strike. The high court reduced the union's \$350,000 fine to \$70,000, but ruled the remaining \$280,000 must be paid unless Mr. Lewis withdraws the notice. The \$10,000 fine levied on Mr. Lewis was upheld.

Negotiations Effort Expected.
Last December 7, Mr. Lewis called a truce in the strike to allow the Supreme Court to decide the merits of the Government's injunction and contempt conviction. He ordered the miners to work until midnight March 31.

Withdrawal of the notice by Mr. Lewis indicates there will be no coal strike at least until the Government has to turn back the seized mines to their owners June 30.

Secretary Krug was expected to try immediately to bring Mr. Lewis and the mine owners together for negotiations regarding a contract for private operation of the mines. Contract agreement within the industry would enable the Government to release the mines.

Mr. Lewis' action continues in force the contract he signed with Mr. Krug late last May after the Government had seized the mines to end a 59-day stoppage.

Copies of Mr. Lewis' letter also went to members of the UMW notifying them that he had called off his notice to the contract with the Government.

Text of Letter to Miners.
The text of the letter to the mine workers, which included copy of his notice to Mr. Krug, follows: "To the members of the United Mine Workers of America: 'Greetings!'"

"The following is the exact text of a letter sent to the Secretary of the Interior in charge of coal mines administration: March 19, 1947.

"Dear Sir: 'The notice of November 15, 1946, terminating the Krug-Lewis agreement as of November 20th, 1946, is hereby unconditionally withdrawn.'"

"Yours truly, 'United Mine Workers of America. By: John L. Lewis, president.'"

The instruction of December 7, 1946, to members of the United Mine Workers of America to continue production of bituminous coal until March 31, 1947, is hereby unconditionally withdrawn and all the members of the United Mine Workers of America are hereby instructed that said Krug-Lewis agreement is in full force and effect until final determination of the basic issues arising under the agreement."

"These actions have been taken in full accordance with the orders and directions of the District Court of the United States for the District of Columbia as affirmed by the Supreme Court of the United States on March 6, 1947.

"The foregoing is for your official information. 'Sincerely Yours, 'JOHN L. LEWIS, 'President.'"

New Belgian Cabinet Formed by Socialist

By the Associated Press
BRUSSELS, Mar. 19.—A new Belgian cabinet, headed by Socialist Paul-Henri Spaak and composed entirely of Socialists and Catholic Party members, was formed today after the Liberals and Communists had refused to participate in a coalition government.

The left-wing coalition cabinet headed by Socialist Camille Huysmans, which had been in office since August 2, resigned last week in a dispute over its decision to boost coal prices. The Huysmans government had been composed of Socialists, six Liberals, four Communists and three technicians without party affiliation.

The new cabinet is composed of eight Socialists, nine Catholics and two members not affiliated with any party. Spaak himself retained the Foreign Ministry portfolio.

He announced names of the following new ministers: Education—Former Prime Minister Camille Huysmans, Socialist. Budget—Hubert Merlot, Socialist. Labor—Leonard El Trojet, Socialist. Communications—Achille van Acker, Socialist.

Re-equipment—Paul de Groot, Socialist. Finance—Paul Struy, Catholic. National Defense—Col. Raoul de Fratur, Communist.

The names of the other cabinet ministers will be